Director of Central Intelligence

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## SAUDI ARABIA-IRAQ: Increased Oil Sales

L	Saudi exports of crude oil to Iraq's
cus	tomers jumped to over 300,000 barrels per day during the one-
moi	on the period ending on 10 June—up from 80,000 barrels the
pre	vious month. Almost all this oil, worth a total of nearly \$300 million
was	taken by Japan and the USSR. The Soviets are shipping their
	tion to India to satisfy their contracts with New Delhi.
	Iraq had agreed to provide the
Sov	iets \$1.2 billion worth of oil this year to pay for military hardware,
and	it will owe the Japanese an estimated \$1.8 billion for imports and
	k on economic projects.
	Comment: The current Saudi deliveries, combined with
Bag	hdad's own output, are almost equal to Iraq's OPEC production
quo	ta of 1.2 million barrels per day. Unless Saudi Arabia further
incr	eases the amount of oil it makes available for Iraq in the second
half	of the year, Baghdad will not be able to meet its payments to
Mos	cow and Tokyo. The Saudis, however, may not be willing to do so.

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